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SUBJECT: ASSISTANT SECRETARY WAYNE'S MAY 18 MEETING WITH
QATARI MINISTER OF ECONOMY AL-THANI

Classified By: A/DCM CHRIS HENZEL FOR REASONS 1.4 (B) AND (D).

[11.](#) (C) SUMMARY: On the margins of the BMENA Trade and Investment conference in Amman on May 18, Qatar's Sheikh Mohamed Ahmed Al-Thani, Minister of Economy and Commerce, told Assistant Secretary E. Anthony Wayne that while substantially increased investment was flowing to Qatar from the U.S., USG requests to change Qatar's investment laws as part of an FTA agreement was a serious obstacle. Qatar wanted a bilateral Free Trade Agreement (FTA), but it would have to be "controllable", he said. A/S Wayne pledged that the USG would continue to work with Qatar on the FTA but would not be able to make special exceptions on important principles. Al-Thani outlined Qatar's success with liquefied natural gas. A/S Wayne urged Al-Thani to consider very seriously Boeing for new aircraft purchases. END SUMMARY.

FTA "Overwhelming" but Qatar "Very Keen"

[12.](#) (C) In a brief meeting hosted by the Sheikh at his Four Seasons hotel suite, Al-Thani noted that Qatar had been engaging A/USTR Catherine Novelli on a bilateral FTA. Since the last exchange, the government had hired Bain & Company to conduct a study of the Qatari private sector and assess the impact of an FTA. The study, which would be concluded by the end of June, would be quantitative and was designed especially for the Emir. The Qatari teams had been "overwhelmed" by the scope and breadth of the proposed FTA, said Al-Thani, especially in terms of how to manage its effects. However, at the end of the day Qatar wanted an FTA and was "very keen" about it.

[13.](#) (C) The FTA was a strategic consideration for Qatar, he continued. However, while expecting the same treatment as Bahrain, Qatar also wanted to tailor certain parts of the FTA, instead of opening everything. He gave as an example the proposal to change Qatar's investment law. As his government understood it, the proposal called for opening up investment "totally for everyone, including China." It would be best if such changes to the investment law were on a bilateral basis only, he stated. For Qatar it would be "us and you" only. Qatar was keen to have an FTA, but it had to be "controllable," he noted. The GOQ was worried about changing laws that "let others in," he noted. He said Qatar's business leaders were very concerned about this.

[14.](#) (C) A/S Wayne urged Qatar to maintain its interest in the FTA. The USG would work with the GOQ on its issues, he said. While it was true that newer FTAs were held to demanding standards in the U.S., both sides should continue to work on it. The U.S., however, needed to adhere to its key standards.

LNG: Qatar Positioned as a World Competitor

[15.](#) (C) Sheikh Al-Thani proudly pointed to Qatar's newly developed LNG facilities as state-of-the-art, an accomplishment that could be partially credited to U.S. investments. Foreign direct investment had jumped to over \$2 billion in 2004, representing a 1537% increase over the prior year. Most of that investment came from the U.S., he noted, for which Qatar was very grateful. He also expressed great appreciation for the U.S. military presence.

[16.](#) (C) With these considerable changes and with the stock market growing at an annual rate of 25 percent, Qatar's economy would be ready to make a full transformation in 2-3 years, he believed.

Boeing

[17.](#) (C) In closing, A/S Wayne urged Qatar to consider seriously Boeing as an excellent supplier for its aircraft needs. The Sheikh replied that he favored a purchase of Boeing aircraft, but the decision was not his to make.

